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ARYAVART BANK

Model Policy

On

Third Party Products-2024



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This Model Policy on Third party Products is formulated in accordance with the new guidelines governing corporate agency model of Insurance distribution in India through notification dated 20th August, 2015 (Circular No. IRDAI/Reg/12/102/2015) named IRDAI (Registration of Corporate Agents) Regulations, 2002 ("2002 Guidelines") dated 16th October, 2002 and has come in force from 1st April, 2016 as amended by the Insurance Regulatory and Development Authority of India (Insurance Intermediaries) (Amendment) Regulations, 2022 dated 5th December 2022.

As per the Insurance Regulatory and Development Authority of (IRDAI) guidelines, Banks are required to register as Corporate Agents for the purpose of soliciting, procuring, and servicing insurance products. These guidelines mandate that every corporate agent must possess a Board Approved Policy delineating the manner in which insurance products are solicited and serviced.

The Policy shall include the approach to be followed by the Corporate Agent in having single or multiple tie-ups, the partners in the tie-ups, the business mix, the type of products sold, grievance redressal mechanism and reporting requirements.

2. SCOPE

This Policy is applicable to all branches of the Bank including its employees (IRDAI certified Specified Persons and Point of Sales Person) authorised to distribute Third Party Products viz. Life Insurance, General Insurance and Standalone Health Insurance.

3. REGULATORS

The Bank has to adhere to the guidelines of the following regulators:-

- Reserve Bank of India (RBI);
- Insurance Regulatory and Development Authority of India (IRDAI);
- Any other regulator/s appointed by Government of India or any other body.

4. THIRD PARTY BUSINESS

Aryavart Bank is committed to expanding its business operations and is actively pursuing opportunities to mobilize third-party business. As part of this endeavour, our Bank is soliciting Life Insurance, General Insurance and Health Insurance. This initiative is designed to broaden our service offerings and provide customers with a more comprehensive range of financial products.

5. BANCASSURANCE

5.1. Certificate of Registration (COR) / Renewal of Insurance:

Bank is registered with IRDAI as a **Corporate Agent (Composite)** with registration number CA-0164 for the period of 01.04.2022 to 31.03.2025. IRDAI Regulation, 2015, as amended by the Insurance Regulatory and Development Authority of India (Insurance Intermediaries) (Amendment) Regulations, 2022 dated 5th December 2022, covers registration of Corporate Agents for the purpose of soliciting, procuring and servicing of insurance business of life insurers, general insurers and health insurers, during the validity of certificate of registration, as follows.

- A Corporate Agent (Life)**, may have arrangements with a maximum of nine life insurers to solicit, procure and service their insurance products.



(b) **A Corporate Agent (General)**, may have arrangements with a maximum of nine general insurers to solicit, procure and service their insurance products. Further, the Corporate Agent (General) shall solicit, procure and service retail lines of general insurance products and commercial lines of such insurers having a total sum insured not exceeding rupees five crores per risk for all insurances combined.

(c) **A Corporate Agent (Health)**, may have arrangements with a maximum of nine health insurers to solicit, procure and service their insurance products.

(d) **In the case of Corporate Agent (Composite)**, the conditions as specified in clauses (a) to (c) shall apply provided that a Corporate Agent (Composite) may have arrangements with insurers in excess of the ceilings prescribed in (a), (b) and (c), subject to the condition that the total number of arrangements with life, general, and health insurers, shall not exceed twenty-seven (27) at any point of time.

Keeping in view the Bank's current customer base, current business model of bank and promoting healthy competition among insurers, tie-up with multiple insurers is required. As the business of Life and Health insurance segment of our Bank is mainly in form of micro insurance policies, Bank may have maximum of two insurance partners in Life insurance segment and maximum of two insurance partners in Health insurance segment. In general insurance segment the insurers have to cover all the assets financed by bank, considering the advance portfolio of the Bank and the vast area to be covered, Bank may have maximum of four insurance partners in general insurance segment.

Renewal of registration:-

IRDAI guidelines stipulate commencement of registration ninety days (90) prior to the expiry of the registration. At the time of renewal of registration bank to adhere to the IRDAI guidelines.

5.2 Distribution Model of Insurance:

Presently Bank has tie-up arrangements with the following Insurance partners in each category:

	Life Insurance
1.	Star Union Dai-ichi Life Insurance Co. Ltd.
2.	Bajaj Allianz Life Insurance Co. Ltd.
	General Insurance
1.	Reliance General Insurance Co. Limited
2.	Bajaj Allianz General Insurance Co. Limited
	Standalone Health Insurance
1.	Care Health Insurance Limited

5.3 SP Enrolment Process

According to the guidelines set forth by the Insurance Regulatory and Development Authority of India (IRDAI), it is mandatory that all insurance business be solicited exclusively through Specified Person (SP) & Point of Sales Person (POSP). Under the revised IRDAI Corporate Agency Regulations, effective from 1st April, 2016, issue of fresh licenses / renewal of existing licenses is the responsibility of the Corporate Agent (Bank). All SPs should have in their possession a copy of the Certificate issued to them and should produce on demand to the customers.

- (i) **Specified Person (SP)** Specified Person is an individual authorized by the Insurance Regulatory and Development Authority of India (IRDAI) to carry out activities related to insurance business, such as soliciting, selling, or servicing insurance products for the corporate agents. These individuals must meet certain qualifications, undergo training, and adhere to regulatory standards to ensure compliance and maintain professionalism in the insurance industry.



- (ii) **Point of Sales Person (POSP):** The IRDAI vide Master Circular on POS No.215 Dated 02nd December 2019 regarding POSP LI for Life Insurance and IRDAI/INT/CIR/PSP/239/2017 dated 25.10.2017 for Health and General Insurance, subsequently IRDAI/LIFE/CIR/MISC/060/03/2020 Dated 6th March 2020 has allowed Bank as Corporate Agent for solicitation of Life as well as non-Life insurance products approved by IRDAI. As the staff and non-staff fulfilling eligibility criterion may become POSP of the Bank, the existing Banking Correspondents (Bank Mitras and Bank Sakhis) are allowed to become POSP (Life or Composite). Such BCs becoming POSP will get remuneration in accordance with BC-BF policy of the Bank as amended from time to time. However the remuneration being paid to such POSPs will not be binding on the Bank and the Bank may settle remuneration schedule with mutual consent of respective CSPs through separate agreement.

5.4 General Principles / Business Guidelines

Bank will follow the code of conduct / fair practice code as may be prescribed by the various authorities as described herein.

- a) Services / Products are to be offered strictly in line with the following caveats
 - i. "Insurance is a subject matter of solicitation"
 - ii. "Investors should consult their financial advisor if they are not clear about the suitability of the product".
- b) The Bank shall make it explicitly clear upfront to the customer that it is strictly on a non-risk participation basis.
- c) As per IRDAI guidelines Bank may distribute products of other insurance companies on a group platform.
- d) The Bank shall comply with the IRDAI regulations for acting as 'Composite Corporate Agent'.
- e) The bank shall not adopt any restrictive practice of forcing its customers to go in only for a particular insurance company in respect of assets financed by the bank. The customers shall be allowed to exercise their own choice.
- f) As the participation by a bank's customer in insurance products is purely on a voluntary basis, it shall be stated in all publicity material distributed by the bank in a prominent way. There should be no 'linkage' either direct or indirect between the provision of banking services offered by the bank to its customers and use of the insurance products.
- g) The Bank shall ensure that the selection of third party issuers of the financial products is done in such a manner so as to take care of the reputational risks to which the bank may be exposed, in distributing / marketing the third party product(s).
- h) The Bank & third party issuers of the financial products shall strictly adhere to the KYC/AML guidelines in respect of the customers whom the products are distributed.



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- i) While offering services, the Bank shall adhere to the relevant guidelines of RBI / IRDAI or any other regulator which is binding on it.
 - j) The tie-up channel partners shall adhere to the relevant regulatory guidelines applicable to them.
 - k) Whenever required, such products shall be offered through Specified Person / Point of Sales Person as per relevant rules of the regulators. However, the Banks other staff may generate a lead and pass it on to the Specified Person / Point of Sales Person for finalising the Business.
 - l) There will be two types of persons who shall solicit and market insurance policies namely SPs & POSPs.
 - m) As per IRDAI guidelines 2015, Corporate Agent (Bank) is having larger responsibility to service policy holders which includes premium payment, claim, assistance and other service requirement of Policy holder'. Bank is also required to maintain customer records like KYC records, copy of Proposal form and Policy copy documents etc.

5.5 Code of conduct for Corporate Agents:

As per Schedule III, Regulation 26 of IRDAI (Registration of Corporate Agents) Regulations, 2015 (last amended on 5.12.2022) following code of conduct shall be applicable on Corporate Agents.

I. General Code of Conduct:

1. Every corporate agent shall follow recognised standards of professional conduct and discharge their duties in the interest of the policyholders. While doing so -

- (a) conduct its dealings with clients with utmost good faith and integrity at all times;
- (b) act with care and diligence;
- (c) ensure that the client understands his relationship with the corporate agent and on whose behalf the corporate agent is acting;
- (d) treat all information supplied by the prospective clients as completely confidential to themselves and to the insurer(s) to which the business is being offered;
- (e) take appropriate steps to maintain the security of confidential documents in their possession;
- (f) No director of a company or a partner of a firm or the chief executive or a principal officer or a specified person shall hold similar position with another corporate agent;

2. Every Corporate Agent shall

- a) be responsible for all acts of omission and commission of its principal officer and every specified person;
- b) ensure that the principal officer and all specified persons are properly trained, skilled and knowledgeable in the insurance products they market;
- c) ensure that the principal officer and the specified person do not make to the prospect any misrepresentation on policy benefits and returns available under the policy;
- d) ensure that no prospect is forced to buy an insurance product;
- e) give adequate pre-sales and post-sales advice to the insured in respect of the insurance product;



- f) extend all possible help and cooperation to an insured in completion of all formalities and documentation in the event of a claim;
- g) give due publicity to the fact that the corporate agent does not underwrite the risk or act as an insurer;
- h) enter into agreements with the insurers in which the duties and responsibilities of both are defined.

II. Pre-sale Code of Conduct

3. Every corporate agent or principal officer or a specified person shall also follow the code of conduct specified below:

(i) Every corporate agent/ principal officer / specified person shall,--

- (a) identify himself and disclose his registration/ certificate to the prospect on demand;
- (b) disseminate the requisite information in respect of insurance products offered for sale by the insurers with whom they have arrangement and take into account the needs of the prospect while recommending a specific insurance plan;
- (c) disclose the scales of commission in respect of the insurance product offered for sale, if asked by the prospect;
- (d) indicate the premium to be charged by the insurer for the insurance product offered for sale;
- (e) explain to the prospect the nature of information required in the proposal form by the insurer, and also the importance of disclosure of material information in the purchase of an insurance contract;
- (f) bring to the notice of the insurer any adverse habits or income inconsistency of the prospect, in the form of a Confidential Report along with every proposal submitted to the insurer, and any material fact that may adversely affect the underwriting decision of the insurer as regards acceptance of the proposal, by making all reasonable enquiries about the prospect;
- (g) inform promptly the prospect about the acceptance or rejection of the proposal by the insurer;
- (h) obtain the requisite documents at the time of filing the proposal form with the insurer; and other documents subsequently asked for by the insurer for completion of the proposal;

(ii) No corporate agent/ principal officer / specified person shall:

- a. solicit or procure insurance business without holding a valid registration/ certificate;
- b. induce the prospect to omit any material information in the proposal form;
- c. induce the prospect to submit wrong information in the proposal form or documents submitted to the insurer for acceptance of the proposal;
- d. behave in a discourteous manner with the prospect;
- e. interfere with any proposal introduced by any other specified person or any insurance intermediary;
- f. offer different rates, advantages, terms and conditions other than those offered by the insurer;
- g. force a policyholder to terminate the existing policy and to effect a new proposal from him within three years from the date of such termination;



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- h. No corporate agent shall have a portfolio of insurance business from one person or one organization or one group of organizations under which the premium is in excess of fifty percent of total premium procured in any year;
 - i. become or remain a director of any insurance company, except with the prior approval of the Authority;
 - j. indulge in any sort of money laundering activities;
 - k. indulge in sourcing of business by themselves or through call centers by way of misleading calls or spurious calls;
 - l. undertake multi-level marketing for soliciting and procuring of insurance products;
 - m. engage untrained and unauthorised persons to bring in business;
 - n. provide insurance consultancy or claims consultancy or any other insurance related services except soliciting and servicing of insurance products as per the certificate of registration.
 - o. Engage, encourage, enter into a contract with or have any sort of arrangement with any person other than a specified person, to refer, solicit, generate lead, advise, introduce, find or provide contact details of prospective policyholders in furtherance of the distribution of the insurance product;
 - p. Pay or allow the payment of any fee, commission, incentive by any other name whatsoever for the purpose of sale, introduction, lead generation, referring or finding to any person or entity

III. Post-Sale Code of Conduct

4. Every Corporate Agent shall –

- a. advise every individual policyholder to effect nomination or assignment or change of address or exercise of options, as the case may be, and offer necessary assistance in this behalf, wherever necessary;
- b. with a view to conserve the insurance business already procured through him, make every attempt to ensure remittance of the premiums by the policyholders within the stipulated time, by giving notice to the policyholder orally and in writing.
- c. ensure that its client is aware of the expiry date of the insurance even if it chooses not to offer further cover to the client;
- d. ensure that renewal notices contain a warning about the duty of disclosure including the necessity to advise changes affecting the policy, which have occurred since the policy inception or the last renewal date;
- e. ensure that renewal notices contain a requirement for keeping a record (including copies of letters) of all information supplied to the insurer for the purpose of renewal of the contract;
- f. ensure that the client receives the insurer's renewal invitation well in time before the expiry date.
- g. render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer;
- h. explain to its clients their obligation to notify claims promptly and to disclose all material facts and advise subsequent developments as soon as possible;
- i. advise the client to make true, fair and complete disclosure where it believes that the client has not done so. If further disclosure is not forthcoming it shall consider declining to act further for the client;
- j. give prompt advice to the client of any requirements concerning the claim;
- k. forward any information received from the client regarding a claim or an incident that may give rise to a claim without delay, and in any event within three working days;



- l. advise the client without delay of the insurer's decision or otherwise of a claim, and give all reasonable assistance to the client in pursuing his claim.
- m. shall not demand or receive a share of proceeds from the beneficiary under an insurance contract;
- n. ensure that letters of instruction, policies and renewal documents contain details of complaints handling procedures;
- o. accept complaints either by phone or in writing;
- p. acknowledge a complaint within fourteen days from the receipt of correspondence, advise the member of staff who will be dealing with the complaint and the timetable for dealing with it;
- q. ensure that response letters are sent and inform the complainant of what he may do if he is unhappy with the response;
- r. ensure that complaints are dealt with at a suitably senior level;
- s. have in place a system for recording and monitoring complaints.

5.6 Nomination facility:-

Para 8 (5) of IRDAI (Protection of Policy Holders' Interest) Regulation 2017, reads as under:

"Wherever the benefit of nomination is available to the proposer, in terms of the Act or the conditions of policy, the insurer or the distribution channel shall draw the attention of the proposer to it and encourage the proposer to avail the facility and inform him of the provisions of Section 39 of Indian Insurance Act."

Section 39 of the Indian Insurance Act, 1938: The holder of a policy of life insurance on his own life may, when effecting the policy or at any time before the policy matures for payment, nominate the person or persons to whom the money secured by the policy shall be paid in the event of his death. Provided that, where any nominee is a minor, it shall be lawful for the policy holder to appoint any person in the manner laid down by the insurer, to receive the money secured by the policy in the event of his death during the minority of the nominee. In view of the above, nomination facility is mandatory while sourcing life insurance policy.

5.7. Principal Officer:

- a) In terms of IRDAI regulations, every Corporate Agent should have one designated Principal Officer (PO). Head of the Department / General Manager will be appointed as PO to supervise the activities of Corporate Agent (Aryavart Bank) and appointment of PO is subject to Bank's Transfer & Rotation Policy. Further, the appointment of the PO shall be notified to the Board after authorization from IRDAI.
- b) As per IRDAI guidelines, Principal Officer should be graduate and has completed 50 hours of theoretical and practical training from an approved institution according to a syllabus approved by the authority and has passed an examination at the end of training conducted by an examination body.
- c) Provided that where the Principal Officer is An Associate/Fellow of the Insurance Institute of India, Mumbai; or associate/fellow of the CII, London; or associate/fellow of the Institute of Actuaries of India; or holds any Post graduate qualification of the Institute of Insurance and Risk Management, Hyderabad, the practical and theoretical training shall be 25 hours.



5.8. Directors & Officers Policy and Professional Indemnity Insurance Policy:

i) The Corporate Agent shall be responsible for all the acts and omissions of its principal officer, specified persons and other employees including violation of code of conduct specified under these regulations and liable to a penalty which may extend to one crore rupees under the provisions of Sec.102 of the Insurance Act. As per the regulations Corporate Agent, whose revenues from their insurance intermediation activities is more than fifty per cent of their total revenue from all the activities, shall take out and maintain at all times a professional indemnity insurance cover. The Corporate Agent is required to have a professional indemnity cover and a D&O policy for the following reasons:

a) Any error or omission or negligence on their part or on the part of their employees and directors.

b) Any loss of money or other property for which the Corporate Agent is legally liable in consequence of any financial or fraudulent act or omission.

c) Any loss of documents and costs and expenses incurred in replacing or restoring such documents.

d) Dishonest or fraudulent acts or omissions by Corporate Agent's employees or former employees.

ii) Since our bank as a Corporate Agent, whose revenues from its insurance intermediation activities is less than fifty per cent of its total revenue from all the activities, is not required to have a professional indemnity cover and a D&O Policy.

5.9. Conflict of interest

While soliciting and procuring the insurance business, the Corporate Agent shall comply with the following:

a) The Corporate Agent having tie-ups with more than one insurer in a particular line of business shall disclose to the prospective customer the list of insurers, with whom they have arrangements to distribute the products and provide them with the details such as scope of coverage, term of policy, premium payable, premium terms and any other information which the customer seeks on all products available with them. Further, disclose the scale of commission in respect of the insurance product offered, if asked by the prospect.

b) Where the insurance is sold as ancillary product along with a principal business product, the corporate agent or its stakeholder or its associates shall not compel the buyer of the principal business product to necessarily buy the insurance product through it. The Principal Officer and CFO (or its equivalent) of the corporate agent shall file with the authority a certificate in the format given in the Schedule VIII on half yearly basis, certifying that there is no forced selling of an insurance product to any prospect.

c) No insurer shall require the Corporate Agent to insure every client with it.

5.10 Maintenance of records

A Corporate Agent shall maintain the following records including in electronic form and shall be made available as and when required by the Authority –

(i) Know Your Client (KYC) records of the client, as required under the relevant Authority's guidelines and provisions of Prevention of Money Laundering Act;

(ii) Copy of the proposal form duly signed by the client and submitted to the insurer with ACR signed by the specified person of corporate agent;

(iii) A register containing list of clients, details of policy such as type of policy, premium amount, date of issue of the policy, charges or fees received;



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- (iv) A register containing details of complaints received which include name of the complainant, nature of complaint, details of policy issued/solicited and action taken thereon;
- (v) A register which shall contain the name, address, telephone no, photograph, date of commencement of employment, date of leaving the service, if any, monthly remuneration paid to the specified person;
- (vi) Copies of the correspondence exchanged with the Authority;
- (vii) Any other record as may be specified by the Authority from time to time.

6. Common points for Bancassurance

6.1. Tie Up Arrangement with New Partners / Renewal/Termination of the Contract with Existing Partners

6.1.1. The Bank's Board is authorised to empanel and de-panel partners as given below:

Partners	Authority
Life Insurance	Board
General Insurance	Board
Health Insurance	Board

6.1.2. The on-boarding of new Insurance Partners should be done through RFP process as per Tender / Procurement Policy of Bank.

6.1.3. In case of tie-up arrangement with new partners/renewal of agreements with the existing partners, Head of the Department/ General Manager is authorised to execute the agreement between the Bank and the concerned Insurance companies after vetting of the agreement by the Legal Department, Head Office. In the absence of Head of the Department/ General Manager the alternate HOD / GM will execute the agreement.

6.1.4. Renewal of tie up arrangements with existing partners shall be vested with Ad-Hoc Committee for renewal of Insurance Partners However, any new tie up arrangement be approved only by the Board as per para no 6.1.1.

6.2 Products

6.2.1. Due Diligence of the New Partner / New Product

Marketing Cell will undertake due diligence of new partners / new products from time to time. As outlined in partnership agreement, tie-up partners to promptly notify if any product is scheduled for market withdrawal well in advance. Marketing Cell will issue internal communication in respect of any addition / withdrawal of the product by our tie up partners (upon receipt of the said information). In case of a new tie-up arrangement, Marketing Cell shall do due diligence for the first year and thereafter, due diligence shall be undertaken once in every two years or upon renewal of agreement, whichever is earlier. The due diligence shall comprise of Change in Directors, Change in Shareholding Patterns and Solvency Ratio. The changes may be referred annually from the Date of Agreement or from the end of Financial Year.



6.2.2. Launch of New Product /renewal of a Product:

Bank can solicit IRDAI complied individual and group insurance products. Prior to making a product available to the customers, it will be approved/cleared by the General Manager. After obtaining approval/clearance from the General Manager, it should be put up for noting to the Chairman. The same process should be followed for renewal of the products also. Simultaneously, it will be put to the Board of Directors for information.

Once a product is approved/cleared, it will be rolled out by Marketing Cell.

6.2.3. Product Suitability Assessment Guidelines

For strengthening need based selling for sale of third- party products a framework for "Product Suitability" of the third- party products has to be implemented.

a) An indicative list of data points that would be obtained from a prospect/customer to identify product suitability may vary by channel and nature of solicitation:

- Age,
- Income
- Gender
- Family Status
- Life Stage
- Financial assets and liabilities
- Family goals
- Investment objectives
- Insurance portfolio already held by the prospect
- Risk appetite
- Other details as deemed appropriate.

b) Product recommendation shall be based on following:

- Financial needs identified and prioritized
- Prospect/customer profile, personal, family, and other financial circumstances
- Financial awareness
- Insurance objective
- Risk profile
- Financial goal.

Accordingly, a product viz. insurance policy would be offered to a prospect/customer. The risk, terms and conditions associated with insurance product would be made understandable to customer/prospect before entering into the contract and customer consent is recorded.

6.3. Know Your Customer (KYC) Guidelines:

6.3.1. Bank will strictly follow & comply with the KYC guidelines as applicable, while promoting the third party products. In case of a KYC compliant account, no fresh KYC documents to be collected by Bank's Branch. However, the KYC documents as required by the tie-up partners need to be furnished by the customer.



6.3.2. In case of walk-in customer (no direct banking relation but has relation with a related party like Employer, family member etc.) the Branch needs to maintain a copy of standard KYC document as required by the Bank.

6.3.3. These documents are to be collected and preserved for future reference. The Bank shall not entertain business from any unrelated party.

6.3.4. Compliance of RBI Master Circular No. BR.AML.BC.No.81/14.01.001/2015-16 dated 25-02-2016 by our Branches on KYC /AML /CFT as under:

When banks distribute third party products as agents, the responsibility for ensuring compliance with KYC/AML/CFT regulations lies with the third party. However, to mitigate reputational risk to bank and to enable a holistic view of a customer's transactions, branches are advised to follow as under:

- a) While distributing third party products as agents, Branches should verify the identity and address of the walk-in customer.
- b) Branches should also maintain transaction details such as nature of the transactions, amount of the transaction and the currency in which it was denominated, date on which transaction was conducted and the parties to the transaction with regard to sale of third party products and related records.
- c) Bank's AML software should be able to capture, generate and analyse alerts for the purpose of filing CTR/STR in respect of transactions relating to third party products-with customers including walk-in customers.
- d) Sale of third party products by bank as agents to customers, including walk-in customers, for Rs.50,000/- and above must be (a) by debit to customers' account or against cheques and (b) Obtention & verification of the PAN given by the account based as well as walk-in customers.
- e) Branches to make all efforts to open Saving Bank Account of the Walk-in Customer who holds all KYC documents with him/her while undertaking transaction with the Bank.
- f) No cash transaction to be done through Office Accounts for sale of Third Party Products.

7. Income Booking for Third Party Business

7.1 Bank is entitled to receive commission income for the third party business distributed through branches. Marketing Cell shall coordinate with the respective channel partners for receiving the commission income.

7.2 Income earned on third party business shall be booked at HO, on accrual basis, under the respective income heads of business. Marketing Cell shall ensure payment of GST through Taxation Cell, HO.

8. Commission Income/Fee Income

8.1 In accordance with the regulations issued by IRDAI, Bank shall not pay any fee, commission, incentive by any other name whatsoever for the purpose of distribution, introduction, lead generation, referring or finding to any person or entity.

8.2 Specified Persons (SPs)/Point of Sale Persons (PoSP) and employees of the Bank shall not be entitled to receive any fee, commission, incentive directly from the insurer for sale, introduction, lead generation and referring.

8.4 It was advised by Department of Financial Services, MOF, and GOI in its letter F.No. 14/42/2015-VIG/VP dated 10th September, 2018 that commission from cross-



selling business should not be paid to the employees of Bank as they are full time employees and are paid fixed salaries. 001117

9. Grievance Redressal Mechanism

Bank has in place a grievance redressal mechanism for all types of complaints which is spelt out in Grievance Redressal Policy available on Bank's public domain.

10. Compliance

Disclosing and reporting of Commission / Remuneration Received by Bank:

- a) The Bank shall adopt the best practices and ensure high level of transparency in disclosing the commission structure on distribution of insurance products on the bank's website for its customers.
- b) Bank will disclose in its Balance sheet as "Notes to account", the details of fees and remuneration received annually in respect of the Bancassurance business undertaken during the year.
- c) Bank shall maintain segment wise reporting capturing the revenues received for insurance intermediation and other income from insurers.
- d) Every insurer who is engaging the services of a corporate agent shall file with the IRDAI a certificate, in the format given in Schedule VIA to be signed by the CEO and CFO.
- e) Certificate from PO of the Corporate Agent (Bank) specifying the commission/ remuneration received from the insurer shall be filed with the IRDAI as given in Schedule VIB of the new Corporate Agency guidelines.

11. Inspection of Corporate Agent (Department handling Third Party Products):

While dealing with Third Party Products, as Corporate Agent, Bank will abide norms prescribed by various Regulations and is also subject to inspection as under:

- a) Inspection by Reserve Bank of India.
- b) IRDAI has the power to inspect the records of a Corporate Agent and performance of its activities anytime and in case of any deficiency observed, it may take appropriate disciplinary action. The procedure applicable for the inspection and the Audit of a Corporate Agent are contained in Annexure IV.

12. Co-branding Activities:

To provide suitable publicity to the insurance products of tie-up partners & to create awareness amongst investors, Bank may carryout various co-branding activities such as placing posters, banners, danglers, standees, neon signs with logo in or out side of the Aryavart Bank branch premises and / or in any of the office of the Bank, keeping leaflets/pamphlets, posters, banners / digital signage on Bank's portal etc. Bank may levy charge for carrying out such co-branding activities at mutually decided rates.

13. IRDAI Certification - Fees & Incentive:-

13.1 As per IRDAI regulations, it is mandated that the insurance business is solicited by the IRDAI certified Specified Person only. The SP enrolment process includes various stages i.e. training, examination and issuance of certificate upon successful passing of examination. At all these stages, Bank is required to pay the stipulated fee



amount for each individual to concerned authority/regulator. The current fee structure details are as below:

001118

Purpose	Fee amount per individual excluding taxes	Concerned Authority
Training of SP applicants	Rs. 750/-	Insurance Institute of India (III)
Enrolment for SP exam	Rs. 500/-	NSEIT
Issuance of Certificate upon passing of examination	Rs. 500/-	Insurance Regulatory and Development authority of India (IRDAI)

Thus, the total fee payment for successful candidate is Rs.1750/- per individual (excl. taxes). The above mentioned payments are done through online mode after obtention of the necessary approvals.

13.2 Incentive for Employee

The Bank currently in its endeavour to motivate its employees to acquire skill set necessary for distributing insurance products as stipulated by respective regulator has been providing cash incentives to its employees for becoming Specified Persons. The incentive details are as under:

13.2.1 Life, General and Health Insurance

New Certification: Bank shall provide an incentive of Rs.3,000/- to its employees upon successful completion of the IRDAI examination and coding as Composite SP (Insurance- Life, General, and Health Insurance). Examination Fees shall be reimbursed as hitherto.

Upon retirement, resignation, termination, or leaving the bank etc. employees are required to surrender /de-map their SP (Specified Person) code.

14. Business Campaigns including Educational Seminar

14.1 The Regions Offices / Branches are allotted budgets under Annual Business Plan for mobilizing third party business. In order to motivate and encourage the field officials to increase the penetration of products among public/customers, efforts of the achievers shall be recognized through felicitation at field level which would be done by the Bank during the training programs, business review meetings, etc.

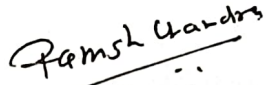
14.2 The Bank in consultation with the tie-up partners under third party products may launch educational seminars / conferences based campaign for the benefit of employees to upgrade their skills & motivate them for future business. The Chairman to approve campaign involving educational seminars at overseas and Domestic locations for third party products. The employees who qualify for these campaigns can participate in these seminars. All employees participating in seminars shall be treated as on duty.

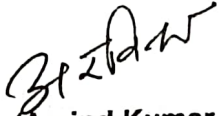


14.3 The Chairman / General Manager in charge of the Marketing Cell is authorised to float the non-monetary campaign (in which financial approvals are not involved) such as issuance of appreciation certificate / trophy for the business campaigns.

15. Sunset Clause:

The policy will be reviewed annually for any modification/improvement in light of any statutory requirement. Notwithstanding, the bank reserves the right to review, modify and amend the policy whenever deemed necessary.


(Ramesh Chandra Chaudhary)
Chief Manager (Marketing)

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(Arvind Kumar Singh)
General Manager